

## Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 SSO-00 NSCE-00 NSC-05 INR-05

INRE-00 CIAE-00 SAB-01 SP-02 PRS-01 USIE-00 CU-02 L-01

/038 W

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O 142215Z SEP 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 9098

CONFIDENTIAL PANAMA 6399

LIMDIS

FOR ASST. SECRETARY SHLAUDEMAN AND AMBASSADOR BUNKER  
FROM AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: MOOD IN PANAMA

1. YOU HAVE SEEN, I AM SURE, REPORTS OF THE STUDENT VIOLENCE THAT HAS EMERGED HERE IN RECENT DAYS. THERE HAVE BEEN NO FATALITIES, THUS FAR, BUT CONSIDERABLE CASUALTIES. THERE WAS ALSO RATHER WIDESPREAD LOOTING IN THE DOWNTOWN AREA WHERE HOODLUMS TOOK ADVANTAGE OF THE CONFUSION GENERATED BY FIGHTS BETWEEN STUDENT FACTIONS IN THE VICINITY OF THE INSTITUTO NACIONAL. STUDENTS AND PARENTS ALSO STAGED A MARCH ON THE PRESIDENCIA TO PROTEST RECENTLY ANNOUNCED INCREASES IN BASIC FOOD PRICES. THUS FAR, THE DEMONSTRATIONS HAVE FOCUSED ON ECONOMIC ISSUES AND THE PRINCIPAL VIOLENCE DEVELOPED BETWEEN LEFTIST AND EXTREME LEFTIST STUDENT FACTIONS.

2. THE GOVERNMENT APPEARS TO HAVE BEEN CAUGHT COMPLETELY UNPREPARED FOR WHAT HAS DEVELOPED. THE GUARDIA NACIONAL HAS ADOPTED A POLICY OF EXTREME RESTRAINT EXCEPT WHEN LIFE AND LIMB ARE THREATENED OR LOOTING ERUPTS ON A LARGE SCALE. IN ANY EVENT, THESE RECENT EVENTS PROVIDE PROOF POSITIVE THAT UNEX-  
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PECTED VIOLENCE CAN ERUPT HERE WITH LITTLE NOTICE.

3. ALL OF THIS IS SYMPTOMATIC OF A SOCIETY IN WHICH TENSIONS ARE HIGH AND FRUSTRATIONS DEEP. MY DEEPEST PRESENT CONCERN IS THAT THESE FRUSTRATIONS MAY TURN--OR BE TURNED--IN AN ANTI AMERICAN DIRECTION. THIS BECOMES MORE LIKELY AS PANAMANIANS INCREASINGLY VOICE THEIR BITTERNESS AT THE LONG DELAY IN TREATY NEGOTIATIONS WHICH THEY BLAME ON US. THIS POSSIBILITY WOULD BE MINIMIZED IF NOT ELIMINATED IF WE COULD INFORM THE PANAMANIANS THAT WE WERE READY TO RESUME TALKS AT AN EARLY DATE. AS I HAVE PREVIOUSLY NOTED, QUIET TALKS PROVIDE US WITH THE BEST POSSIBLE QUOTE MANAGEMENT TOOL UNQUOTE IN COPING WITH THESE LOCAL MANIFESTATIONS. THEY WOULD ALSO SERVE TO KEEP THE FOCUS OF PANAMANIAN BITTERNESS WHERE IT BELONGS--ON THIS GOVERNMENT WHOSE POLICIES HAVE IN GREAT PART HELP CREATE THE ECONOMIC MORASS WHICH IS THE SOURCE OF SUCH PROFOUND DISCONTENT.

JORDEN

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, STUDENT DEMONSTRATIONS, CASUALTIES, CIVIL DISORDERS, PUBLIC ATTITUDES, INTERNATIONAL CANALS, NEGOTIATIONS  
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